



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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April 14, 2016

To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

DEBT SERVICE LEVELS AND IMPACT ON COUNTY BUDGET (ITEM NO. 5-E, AGENDA OF JUNE 22, 2015)

The June 22, 2015, joint Board Motion by Supervisors Ridley-Thomas and Antonovich directed the Chief Executive Officer (CEO) to report annually to the Board, in writing, the following information:

1. An overview of the County of Los Angeles' (County) debt capacity and level of indebtedness as a percentage of the total County budget and as a percentage of the County's locally generated revenue;
2. The impact of debt service payments on the County's total budget and cash flow. These reports should include approved capital projects, as well as anticipated projects for consideration by the Board within a three-year period that will require debt financing; and
3. An estimate of anticipated operational and equipment costs associated with the project(s).

This report prepared by the CEO provides the County's debt service obligations associated with existing capital project debt, as well as potential additional debt service related to capital projects, which we anticipate to be considered by the Board within the next three years. The attached exhibits present an overview of the relative demand that capital project debt service places – both currently and in future years - on the overall County budget and locally generated revenues. We also provide guidance on how these debt service ratios can be used as a tool to gauge the level of the County's capital project debt obligations and its ability to afford additional borrowing for capital projects.

While a valuable tool, the General County Budget (GCB) and Locally Generated Revenue (LGR) debt service ratios do not directly measure several important factors that impact the County's financial position and, therefore, are not by themselves an indication that the County has the ability to afford additional project financing. Among the other factors to consider are the County's long-term non-capital project financial obligations (pension and retiree health care). Likewise, these ratios do not reflect any borrowing for capital needs that may arise in future years which cannot yet be forecasted. The cost of borrowing for capital needs can double the overall project cost due to interest payments. Lastly, even if new project borrowing would not raise debt service ratios to concerning levels, the need to commit ongoing net County cost to its repayment is still required. The ability to budget such repayments can be impacted due to other pressures on the County's revenue and expenditure forecast, such as salary cost growth, deferred maintenance on existing facilities, other operating needs, and declines in revenue due to an economic downturn.

The first two items of the Board motion are addressed in the Debt Service Ratio exhibits accompanying this report. They show the County's annual capital project debt service obligations for existing projects, as well projected debt service payments related to projects that are anticipated to be considered by the Board within the next three years (Anticipated Projects). The County's debt service obligations are presented from two perspectives: 1) overall debt service obligations in comparison to the County's GCB (Exhibit A); and 2) debt service funded from LGR compared to the LGR budget (Exhibit B). For the LGR exhibit, we exclude debt service that is funded by non-LGR sources, such as Health Services project debt service funded from the Hospital Enterprise Fund. As a result, only the debt service funded from local revenues is compared with the local revenue budget.

General County Budget (GCB) Debt Service Ratio

Presently, the County has an approximate \$1.6 billion outstanding in capital project bonds with a debt service obligation of \$175 million for Fiscal Year (FY) 2015-16. The County's existing debt service obligation represents a low 0.81 percent of the GCB, which is \$21.73 billion for the 2015-16 Final Adopted Budget and \$22.17 billion for the 2016-17 Recommended Budget. Assuming a modest annual 1.0 percent growth in the GCB, we see the share of existing debt service remaining at the 0.8 percent level through FY 2022-23, and decreasing to 0.6 percent by 2030. The very slight reduction in the GCB debt service ratio for existing debt reflects the fact the majority of the County's outstanding bonds were issued in recent years and have most of their 30-year terms remaining. In 2010 and 2012, the Board approved bonds to finance earthquake retrofit and building replacement projects for several County hospitals, the Hall of Justice renovation, Coroner building expansion/renovation, and new fire stations. We have also included in the Existing Project Debt Service category estimated debt service for projects which have received Board approval and are underway using interim financing. These approved projects include the Rancho Los Amigos National Rehabilitation Center inpatient consolidation, outpatient building and other projects on the campus, and the Antelope Valley Animal Care Center.

The list of projects we anticipate to be considered by the Board within the next three years (Anticipated Projects) include hospital, public safety, museum, and other general government-type projects, with estimated total financed project costs that would be in excess of \$4.5 billion. The estimates reflect current project assumptions and are subject to change based on revised scope, schedule, or Board action. We note that several Anticipated Projects included on the list as "To Be Determined" do not have any estimated borrowing requirement, or debt service estimates, since they are still in preliminary stages of planning. As a result, total debt service requirements are understated. Many of these projects have not been approved by the Board and should be treated as examples of projects which the Board, in its discretion, might choose to approve.

When including potential debt service, along with existing debt service, the GCB debt ratio increases steadily from a current level of 0.81 percent to 2.28 percent by FY 2022-23, which would represent nearly a tripling of the share of the GCB funding project. The Consolidated Correctional Treatment Facility (CCTF) (\$1.5 billion projected borrowing) and Harbor-UCLA Medical Center projects (\$1.8 billion) account for approximately two-thirds of the potential financed project costs.

Locally Generated Revenue (LGR) Debt Service Ratio

The County's debt service funded from LGR in FY 2015-16 is approximately \$58 million, with Disney Hall Parking Garage and the Hall of Justice renovation project accounting for the majority of LGR-funded debt service. The \$58 million debt service expense represents a low 1.06 percent of current LGR (\$5.42 billion). LGR consists mostly of property and local sales tax revenue. To accurately represent the County's local revenue base, we exclude one-time revenues. We assume growth of LGR based on the current projections reflected in our 5-Year Forecast, and then a 2.5 percent growth rate in future years. The 2.5 percent growth rate represents a conservative average growth based on actual experience; however, changes in LGR in any particular year are very dependent upon economic conditions. Existing debt service obligations through FY 2022-23 fluctuate between \$52 million and \$61 million (0.8 percent - 0.9 percent of LGR), before reducing to \$35 million in FY 2024-25 as a set of older bonds reach final maturity. Annual debt service obligations for existing debt maintain this level for 17 years before dropping to \$15 million in FY 2041-42.

When including costs to repay borrowing for Anticipated Projects, demands on local revenues increase significantly in future years, from their presently low level of 1.06 percent to over 3.3 percent in FY 2022-23. Debt service obligations funded with LGR would more than quadruple from their current level of \$58 million to \$236 million by FY 2022-23, when annual repayments on all Anticipated Projects will have begun. The largest debt service costs funded from LGR among the Anticipated Projects are for CCTF (\$118 million/year), Rancho South Campus development (\$33 million/year), and the Department of Mental Health administrative headquarters building (\$15 million/year). The LGR debt service ratio would be higher if debt service estimates for projects noted as "TBD" were included.

Debt service costs at 3.3 percent of LGR would represent an elevated obligation in relation to the budget, and could result in reduced flexibility for the Board to respond to recessions, address other long-term obligations, and operational needs. However, these projections of future debt service ratios are subject to change based on what the Board ultimately approves. Changes to project schedules and costs, fluctuation in borrowing rates, and revisions to non-local revenue offsets will all impact debt service projections and will be updated with each future debt capacity report provided to the Board.

Equipment and Operational Costs Associated with Anticipated Projects

Ongoing operating costs and one-time equipment costs related to capital projects are difficult to estimate when projects are in early stages of development. At this time, operating cost impact estimates are not available for the Anticipated Projects. However, at such time that a project is recommended to the Board for construction, the operating costs impacts will be provided.

Debt Management Guidelines

In June 2016, we will present revised Debt Management Guidelines to the Board which will incorporate both the GCB and LGR debt service ratios as tools to maintain the affordability of existing and future debt service obligations.

Future Debt Capacity Report Updates

The June 22, 2015 motion requested updates at each budget phase; however, as discussed in briefings with your staff, we believe one annual update coinciding with the Recommended Budget phase is appropriate given the nature of the work involved and are planning on submitting the next annual Debt Capacity report to the Board with the Recommended 2017-18 Budget, or when seeking approval of any action that would have a significant impact on debt ratios.

If you have any questions or require further information, please contact Brad Bolger at (213) 974-1360 or bbolger@ceo.lacounty.gov.

SAH:JJ:DPH
BMB:FC:PB:zu

Attachments

c: Executive Office, Board of Supervisors
County Counsel

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration w/in 3 years

(Numbers expressed in \$1,000's)

Debt Ratio Forecast - General County Budget

Existing Project Debt Service ¹	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General Fund	\$ 70,521	\$ 76,914	\$ 78,700	\$ 79,552	\$ 80,425	\$ 85,746	\$ 86,529	\$ 83,077	\$ 60,134
Hospital Enterprise Fund	76,354	67,110	61,859	73,793	85,730	85,572	85,320	85,053	84,756
Courthouse Construction Fund	25,636	19,753	15,010	15,013	15,002	14,997	14,992	14,992	14,986
Other Special District/Special Funds	2,738	2,735	4,324	4,329	4,328	4,324	4,329	4,326	4,326
Bond Debt Service - Existing Projects ¹ (Aggregate total)	\$ 175,250	\$ 166,512	\$ 159,893	\$ 172,687	\$ 185,485	\$ 190,640	\$ 191,170	\$ 187,449	\$ 164,202

Total General County Budget ⁵	\$ 21,729,000	\$ 22,170,000	\$ 22,391,700	\$ 22,615,617	\$ 22,841,773	\$ 23,070,191	\$ 23,300,893	\$ 23,533,902	\$ 23,769,241
General County Budget Debt Service Ratio (Existing DS)	0.81%	0.75%	0.71%	0.76%	0.81%	0.83%	0.82%	0.80%	0.69%

Potential D.S.-Projects Anticipated to be Considered ²	Est. Financed Amount	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Consolidated Correctional Treatment Facility ³	\$ 1,500,000			\$ 5,000	\$ 10,000	\$ -			\$ 118,000	\$ 118,000
Harbor/UCLA SB1953 Replacement projects	1,800,000					40,000	80,000	135,000	135,000	135,000
Rancho S.Campus-Prob/ISD/Sheriff/Sports Complex)	455,000			-	-	33,000	33,000	33,000	33,000	33,000
Probation - Detention Facilities	TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD	
Dept Mental Health HQ (Vermont Corridor)	250,000					17,500	17,500	17,500	17,500	17,500
LACMA: Ahmanson Replacement Ph I	125,000		-	11,000	11,000	11,000	11,000	11,000	11,000	11,000
LACMA: Ahmanson Replacement Ph II	300,000						28,000	28,000	28,000	28,000
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000			1,500	3,000	3,000	3,000	3,000	3,000	3,000
MLK Parking Structure	43,000			3,000	3,000	3,000	3,000	3,000	3,000	3,000
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD	
Music Center: Plaza Renovation	25,000		-		1,750	1,750	1,750	1,750	1,750	1,750
Potential Debt Service ⁴	\$ 4,528,000	\$ -	\$ -	\$ 20,500	\$ 28,750	\$ 109,250	\$ 177,250	\$ 232,250	\$ 350,250	\$ 350,250

COMBINED Existing + Potential Debt Service⁴	\$ 175,250	\$ 166,512	\$ 180,393	\$ 201,437	\$ 294,735	\$ 367,890	\$ 423,420	\$ 537,699	\$ 514,452
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Total General County Budget ⁵	\$ 21,729,000	\$ 22,170,000	\$ 22,391,700	\$ 22,615,617	\$ 22,841,773	\$ 23,070,191	\$ 23,300,893	\$ 23,533,902	\$ 23,769,241
General County Budget Debt Service Ratio (Exist + Potential DS)	0.81%	0.75%	0.81%	0.89%	1.29%	1.59%	1.82%	2.28%	2.16%

¹ Reflects long term debt service (DS) of completed capital projects and estimated d.s. for Board-approved projects pending completion of long term bond issuance.

² Reflects preliminary DS projections for projects anticipated to be considered by the Board within a 3 year period which will require debt financing. Estimated DS for Board-approved projects already underway & being financed with short term commercial paper notes on an interim basis are already reflected in existing projects.

³ Anticipated completion date for CCTF towers is in 2021-22, with interest on bonds capitalized until completion. NCC increased \$17.2M each FY until 2022-23 to ramp up to ful D.S. payment FY17-18 and 18-19 costs reflect commercial paper costs.

⁴ NOTE: Potential debt service projections do not include any amounts Probation-Detention Facilities listed as TBD. TBD is listed either due to no available project cost estimate or due to unknown share of debt service to be funded with LGR.

⁵ Excludes Special Districts/Special Funds. 2015-16 reflects Final Adopted Budget; 2016-17 reflects 2016-17 Recommended Budget. Assumed growth at 1.0% per year thereafter.

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Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration w/in 3 yea

(Numbers expressed in \$1,000's)

Debt Ratio Forecast - General County Budget

Existing Project Debt Service ¹	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
General Fund	\$ 59,880	\$ 59,605	\$ 59,313	\$ 58,927	\$ 58,424	\$ 58,007	\$ 57,672	\$ 57,325	\$ 56,960
Hospital Enterprise Fund	84,415	84,035	83,633	83,216	82,772	82,308	81,818	81,302	80,768
Courthouse Construction Fund	14,971	14,969	14,960	14,948	14,946	14,938	8,341	8,336	6,115
Other Special District/Special Funds	4,328	4,327	4,334	3,446	3,446	3,444	3,437	3,448	3,444
Bond Debt Service - Existing Projects ¹ (Aggregate total)	\$ 163,594	\$ 162,936	\$ 162,240	\$ 160,537	\$ 159,589	\$ 158,697	\$ 151,268	\$ 150,410	\$ 147,288

Total General County Budget ⁵	\$ 24,006,933	\$ 24,247,002	\$ 24,489,473	\$ 24,734,367	\$ 24,981,711	\$ 25,231,528	\$ 25,483,843	\$ 25,738,682	\$ 25,996,069
General County Budget Debt Service Ratio (Existing DS)	0.68%	0.67%	0.66%	0.65%	0.64%	0.63%	0.59%	0.58%	0.57%

Potential D.S.-Projects Anticipated to be Considered ²	Est. Financed Amount	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Consolidated Correctional Treatment Facility ³	\$ 1,500,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000
Harbor/UCLA SB1953 Replacement projects	1,800,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Rancho S.Campus-Prob/ISD/Sheriff/Sports Complex)	455,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Probation - Detention Facilities	TBD									
Dept Mental Health HQ (Vermont Corridor)	250,000	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
LACMA: Ahmanson Replacement Ph I	125,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
LACMA: Ahmanson Replacement Ph II	300,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
MLK Parking Structure	43,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD									
Music Center: Plaza Renovation	25,000	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Potential Debt Service ⁴	\$ 4,528,000	\$ 350,250	\$ 350,250	\$ 350,250	\$ 350,250	\$ 350,250	\$ 350,250	\$ 350,250	\$ 350,250	\$ 350,250

COMBINED Existing + Potential Debt Service ⁴	\$ 513,844	\$ 513,186	\$ 512,490	\$ 510,787	\$ 509,839	\$ 508,947	\$ 501,518	\$ 500,660	\$ 497,538
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Total General County Budget ⁵	\$ 24,006,933	\$ 24,247,002	\$ 24,489,473	\$ 24,734,367	\$ 24,981,711	\$ 25,231,528	\$ 25,483,843	\$ 25,738,682	\$ 25,996,069
General County Budget Debt Service Ratio (Exist + Potential DS)	2.14%	2.12%	2.09%	2.07%	2.04%	2.02%	1.97%	1.95%	1.91%

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration w/in 3 yea

(Numbers expressed in \$1,000's)

Debt Ratio Forecast - General County Budget

Existing Project Debt Service ¹	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
General Fund	\$ 56,573	\$ 56,167	\$ 55,738	\$ 55,288	\$ 54,754	\$ 54,132	\$ 53,473	\$ 52,787	\$ 31,818
Hospital Enterprise Fund	80,200	79,608	78,976	78,310	77,537	76,620	75,652	74,643	43,845
Courthouse Construction Fund	6,119	-	-	-	-	-	-	-	-
Other Special District/Special Funds	3,446	3,448	3,440	3,449	3,449	3,445	3,444	3,447	3,445
<i>Bond Debt Service - Existing Projects ¹ (Aggregate total)</i>	<i>\$ 146,338</i>	<i>\$ 139,223</i>	<i>\$ 138,155</i>	<i>\$ 137,047</i>	<i>\$ 135,740</i>	<i>\$ 134,197</i>	<i>\$ 132,569</i>	<i>\$ 130,877</i>	<i>\$ 79,109</i>

Total General County Budget ⁵	\$ 26,256,029	\$ 26,518,590	\$ 26,783,775	\$ 27,051,613	\$ 27,322,129	\$ 27,595,351	\$ 27,871,304	\$ 28,150,017	\$ 28,431,517
General County Budget Debt Service Ratio (Existing DS)	0.56%	0.53%	0.52%	0.51%	0.50%	0.49%	0.48%	0.46%	0.28%

Potential D.S.-Projects Anticipated to be Considered ²	Est. Financed Amount	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
Consolidated Correctional Treatment Facility ³	\$ 1,500,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000
Harbor/UCLA SB1953 Replacement projects	1,800,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Rancho S.Campus-Prob/ISD/Sheriff/Sports Complex)	455,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Probation - Detention Facilities	TBD									
Dept Mental Health HQ (Vermont Corridor)	250,000	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
LACMA: Ahmanson Replacement Ph I	125,000									
LACMA: Ahmanson Replacement Ph II	300,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
MLK Parking Structure	43,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD									
Music Center: Plaza Renovation	25,000	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
<i>Potential Debt Service ⁴</i>	<i>\$ 4,528,000</i>	<i>\$ 339,250</i>	<i>\$ 339,250</i>	<i>\$ 339,250</i>	<i>\$ 339,250</i>	<i>\$ 339,250</i>	<i>\$ 339,250</i>	<i>\$ 339,250</i>	<i>\$ 339,250</i>	<i>\$ 339,250</i>

COMBINED Existing + Potential Debt Service ⁴	\$ 485,588	\$ 478,473	\$ 477,405	\$ 476,297	\$ 474,990	\$ 473,447	\$ 471,819	\$ 470,127	\$ 418,359
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Total General County Budget ⁵	\$ 26,256,029	\$ 26,518,590	\$ 26,783,775	\$ 27,051,613	\$ 27,322,129	\$ 27,595,351	\$ 27,871,304	\$ 28,150,017	\$ 28,431,517
General County Budget Debt Service Ratio (Exist + Potential DS)	1.85%	1.80%	1.78%	1.76%	1.74%	1.72%	1.69%	1.67%	1.47%

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration w/in 3 yea

(Numbers expressed in \$1,000's)

Debt Ratio Forecast - General County Budget

Existing Project Debt Service ¹	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
General Fund	\$ 31,822	\$ 31,821	\$ 31,818	\$ 22,624	\$ 6,724	\$ 6,724	\$ 6,724	\$ 6,724	\$ 6,724
Hospital Enterprise Fund	43,847	23,864	23,864	23,864	23,864	23,864	23,864	23,864	23,864
Courthouse Construction Fund	-	-	-	-	-	-	-	-	-
Other Special District/Special Funds	3,447	1,515	1,517	707	707	707	-	-	-
Bond Debt Service - Existing Projects ¹ (Aggregate total)	\$ 79,116	\$ 57,200	\$ 57,199	\$ 47,195	\$ 31,295	\$ 31,295	\$ 30,588	\$ 30,588	\$ 30,588
Total General County Budget ⁵	\$ 28,715,833	\$ 29,002,991	\$ 29,293,021	\$ 29,585,951	\$ 29,881,810	\$ 30,180,629	\$ 30,482,435	\$ 30,787,259	\$ 31,095,132
General County Budget Debt Service Ratio (Existing DS)	0.28%	0.20%	0.20%	0.16%	0.10%	0.10%	0.10%	0.10%	0.10%

Potential D.S.-Projects Anticipated to be Considered ²	Est. Financed Amount	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
Consolidated Correctional Treatment Facility ³	\$ 1,500,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000
Harbor/UCLA SB1953 Replacement projects	1,800,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Rancho S.Campus-Prob/ISD/Sheriff/Sports Complex)	455,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000		
Probation - Detention Facilities	TBD									
Dept Mental Health HQ (Vermont Corridor)	250,000	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	
LACMA: Ahmanson Replacement Ph I	125,000									
LACMA: Ahmanson Replacement Ph II	300,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000	3,000	3,000	3,000	3,000	3,000	1,500	-		
MLK Parking Structure	43,000	3,000	3,000	3,000	3,000	3,000	3,000			
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD									
Music Center: Plaza Renovation	25,000	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Potential Debt Service ⁴	\$ 4,528,000	\$ 339,250	\$ 339,250	\$ 339,250	\$ 339,250	\$ 339,250	\$ 337,750	\$ 333,250	\$ 300,250	\$ 282,750
COMBINED Existing + Potential Debt Service ⁴	\$	418,366	\$ 396,450	\$ 396,449	\$ 386,445	\$ 370,545	\$ 369,045	\$ 363,838	\$ 330,838	\$ 313,338
Total General County Budget ⁵		\$ 28,715,833	\$ 29,002,991	\$ 29,293,021	\$ 29,585,951	\$ 29,881,810	\$ 30,180,629	\$ 30,482,435	\$ 30,787,259	\$ 31,095,132
General County Budget Debt Service Ratio (Exist + Potential DS)		1.46%	1.37%	1.35%	1.31%	1.24%	1.22%	1.19%	1.07%	1.01%

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration w/in 3 yea

(Numbers expressed in \$1,000's)

Existing Project Debt Service ¹	2051-52	2052-53	2053-54	2054-55	Total
General Fund	\$ 6,724	\$ 6,724		\$ -	\$ 1,863,592
Hospital Enterprise Fund	23,864	23,864		-	2,397,696
Courthouse Construction Fund	-	-		-	269,025
Other Special District/Special Funds	-	-		-	109,028
<i>Bond Debt Service - Existing Projects ¹ (Aggregate total)</i>	<i>\$ 30,588</i>	<i>\$ 30,588</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 4,639,341</i>

Total General County Budget ⁵	\$ 31,406,083	\$ 31,720,144	\$ 32,037,345	\$ 32,357,719
General County Budget Debt Service Ratio (Existing D5)	0.10%	0.10%	0.00%	0.00%

Potential D.S.-Projects Anticipated to be Considered ²	Est. Financed Amount	2051-52	2052-53	2053-54	2054-55	Total
Consolidated Correctional Treatment Facility ³	\$ 1,500,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 3,909,000
Harbor/UCLA SB1953 Replacement projects	1,800,000	135,000	135,000			4,170,000
Rancho S.Campus-Prob/ISD/Sheriff/Sports Complex)	455,000					990,000
Probation - Detention Facilities	TBD					-
Dept Mental Health HQ (Vermont Corridor)	250,000					542,500
LACMA: Ahmanson Replacement Ph I	125,000					176,000
LACMA: Ahmanson Replacement Ph II	300,000					868,000
396S Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000					90,000
MLK Parking Structure	43,000					93,000
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD					-
Music Center: Plaza Renovation	25,000	1,750	-			57,750
<i>Potential Debt Service ⁴</i>	<i>\$ 4,528,000</i>	<i>\$ 254,750</i>	<i>\$ 253,000</i>	<i>\$ 118,000</i>	<i>\$ 118,000</i>	<i>\$ 10,896,250</i>

COMBINED Existing + Potential Debt Service ⁴	\$ 285,338	\$ 283,588	\$ 118,000	\$ 118,000	\$ 15,535,591
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Total General County Budget ⁵	\$ 31,406,083	\$ 31,720,144	\$ 32,037,345	\$ 32,357,719
General County Budget Debt Service Ratio (Exist + Potential DS)	0.91%	0.89%	0.37%	0.36%

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration

(Numbers expressed in \$1,000's)

Debt Ratio Forecast - Locally Generated Revenue Budget

Bond Debt Service (NCC Funded) - Existing Projects¹ (Aggregate total)

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
57,898	51,806	52,642	53,566	54,524	60,006	61,033	57,842	35,181

Locally Generated Revenue	\$ 5,452,290	\$ 5,710,016	\$ 5,962,834	\$ 6,212,793	\$ 6,462,629	\$ 6,686,913	\$ 6,854,086	\$ 7,025,438	\$ 7,201,074
Locally Generated Revenue Budget Debt Service Ratio	1.06%	0.91%	0.88%	0.86%	0.84%	0.90%	0.89%	0.82%	0.49%

Potential D.S.-Projects Anticipated to be Considered ²

	Est. Financed Amount	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Consolidated Correctional Treatment Facility ³	\$ 1,500,000			\$ 5,000	\$ 10,000	\$ -			\$ 118,000	\$ 118,000
Harbor/UCLA SB1953 Replacement projects ⁴	1,800,000									
Rancho S.Campus - Prob/ISD/Sheriff/Sports Complex	455,000			-	-	33,000	33,000	33,000	33,000	33,000
Probation - Detention Facilities	TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD	
Dept Mental Health HQ (Vermont Corridor)	250,000					14,900	14,900	14,900	14,900	14,900
LACMA: Ahmanson Replacement Ph I	125,000		-	11,000	11,000	11,000	11,000	11,000	11,000	11,000
LACMA: Ahmanson Replacement Ph II	300,000									
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000		Debt Service TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD	
MLK Parking Structure	43,000		Debt Service TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD	
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD		Debt Service TBD	
Music Center: Plaza Renovation	25,000		-		1,750	1,750	1,750	1,750	1,750	1,750
Potential Debt Service ⁵		\$ -	\$ -	\$ 16,000	\$ 22,750	\$ 60,650	\$ 60,650	\$ 60,650	\$ 178,650	\$ 178,650

COMBINED Existing + Potential Debt Service ⁵	\$ 57,898	\$ 51,806	\$ 68,642	\$ 76,316	\$ 115,174	\$ 120,656	\$ 121,683	\$ 236,492	\$ 213,831
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Locally Generated Revenue ⁶	\$ 5,452,290	\$ 5,710,016	\$ 5,962,834	\$ 6,212,793	\$ 6,462,629	\$ 6,686,913	\$ 6,854,086	\$ 7,025,438	\$ 7,201,074
Locally Generated Revenue Budget Debt Service Ratio ⁷	1.06%	0.91%	1.15%	1.23%	1.78%	1.80%	1.78%	3.37%	2.97%

New projects would multiply D.S. funded from Loc Generated Revenues five-fold

¹ Reflects long term debt service (d.s.) of completed capital projects and estimated d.s. for Board-approved projects pending completion of long term bond issuance.

² Reflects preliminary DS projections, where available, for projects anticipated to be considered by the Board within a 3 year period which will require debt financing. Estimated DS for Board-approved projects already underway & being financed with short term commercial paper notes on an interim basis are already reflected in Existing Projects.

³ Anticipated completion date for CCTF towers is in 2021-22, with interest on bonds capitalized until completion. NCC increased \$17.2M each FY until 2022-23 to ramp up to full D.S. payment FY17-18 and 18-19 costs reflect commercial paper costs.

⁴ Project debt service to be funded by DHS/Hospital Enterprise Fund. No NCC impact.

⁵ NOTE: Potential debt service projections do not include any amounts for projects where estimated LGR-funded debt service is listed as TBD. TBD is listed either due to no available project cost estimate or due to unknown share of debt service to be funded with LGR.

⁶ Reflects total locally generated revenue (mostly property taxes and local sales taxes) excluding one time revenues. Assumed annual growth based on current projections and 2.5% annually thereafter

⁷ Because some potential projects have "TBD" listed for debt service, the ratio does not reflect the full impact of debt service. The LGR debt service ratio would be if estimates were available and they were included.

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration

Debt Ratio - Locally Generated Revenue Budget

(Numbers expressed in \$1,000's)

Bond Debt Service (NCC Funded) - Existing Projects¹ (Aggregate total)

2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
35,243	35,312	35,383	35,380	35,279	35,284	35,391	35,509	35,633

Locally Generated Revenue	\$ 7,381,101	\$ 7,565,628	\$ 7,754,769	\$ 7,948,638	\$ 8,147,354	\$ 8,351,038	\$ 8,559,814	\$ 8,773,809	\$ 8,993,155
Locally Generated Revenue Budget Debt Service Ratio	0.48%	0.47%	0.46%	0.45%	0.43%	0.42%	0.41%	0.40%	0.40%

Potential D.S.-Projects Anticipated to be Considered ²

	Est. Financed Amount	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Consolidated Correctional Treatment Facility ³	\$ 1,500,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000
Harbor/UCLA SB1953 Replacement projects ⁴	1,800,000									
Rancho S.Campus - Prob/ISD/Sheriff/Sports Complex	455,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Probation - Detention Facilities	TBD									
Dept Mental Health HQ (Vermont Corridor)	250,000	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900
LACMA: Ahmanson Replacement Ph I	125,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
LACMA: Ahmanson Replacement Ph II	300,000									
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000									
MLK Parking Structure	43,000									
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD									
Music Center: Plaza Renovation	25,000	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Potential Debt Service ⁵		\$ 178,650	\$ 178,650	\$ 178,650	\$ 178,650	\$ 178,650	\$ 178,650	\$ 178,650	\$ 178,650	\$ 178,650

COMBINED Existing + Potential Debt Service ⁵	\$ 213,893	\$ 213,962	\$ 214,033	\$ 214,030	\$ 213,929	\$ 213,934	\$ 214,041	\$ 214,159	\$ 214,283
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Locally Generated Revenue ⁶	\$ 7,381,101	\$ 7,565,628	\$ 7,754,769	\$ 7,948,638	\$ 8,147,354	\$ 8,351,038	\$ 8,559,814	\$ 8,773,809	\$ 8,993,155
Locally Generated Revenue Budget Debt Service Ratio ⁷	2.90%	2.83%	2.76%	2.69%	2.63%	2.56%	2.50%	2.44%	2.38%

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration

Debt Ratio - Locally Generated Revenue Budget

(Numbers expressed in \$1,000's)

Bond Debt Service (NCC Funded) - Existing Projects¹ (Aggregate total)

2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
35,759	35,894	36,038	36,188	36,339	36,494	36,157	36,081	15,430

Locally Generated Revenue	\$ 9,217,983	\$ 9,448,433	\$ 9,684,644	\$ 9,926,760	\$ 10,174,929	\$ 10,429,302	\$ 10,690,035	\$ 10,957,286	\$ 11,231,218
Locally Generated Revenue Budget Debt Service Ratio	0.39%	0.38%	0.37%	0.36%	0.36%	0.35%	0.34%	0.33%	0.14%

Potential D.S.-Projects Anticipated to be Considered ²

Est. Financed Amount	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
Consolidated Correctional Treatment Facility ³	\$ 1,500,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000
Harbor/UCLA SB1953 Replacement projects ⁴	1,800,000								
Rancho S.Campus - Prob/ISD/Sheriff/Sports Complex	455,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Probation - Detention Facilities	TBD								
Dept Mental Health HQ (Vermont Corridor)	250,000	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900
LACMA: Ahmanson Replacement Ph I	125,000								
LACMA: Ahmanson Replacement Ph II	300,000								
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000								
MLK Parking Structure	43,000								
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD								
Music Center: Plaza Renovation	25,000	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Potential Debt Service ⁵	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650

COMBINED Existing + Potential Debt Service ⁵	\$ 203,409	\$ 203,544	\$ 203,688	\$ 203,838	\$ 203,989	\$ 204,144	\$ 203,807	\$ 203,731	\$ 183,080
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Locally Generated Revenue ⁶	\$ 9,217,983	\$ 9,448,433	\$ 9,684,644	\$ 9,926,760	\$ 10,174,929	\$ 10,429,302	\$ 10,690,035	\$ 10,957,286	\$ 11,231,218
Locally Generated Revenue Budget Debt Service Ratio ⁷	2.21%	2.15%	2.10%	2.05%	2.00%	1.96%	1.91%	1.86%	1.63%

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration

Debt Ratio - Locally Generated Revenue Budget

(Numbers expressed in \$1,000's)

Bond Debt Service (NCC Funded) - Existing Projects¹ (Aggregate total)

2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
15,700	15,727	15,818	6,724	6,724	6,724	6,724	6,724	6,724

Locally Generated Revenue	\$ 11,511,998	\$ 11,799,798	\$ 12,094,793	\$ 12,397,163	\$ 12,707,092	\$ 13,024,769	\$ 13,350,388	\$ 13,684,148	\$ 14,026,252
Locally Generated Revenue Budget Debt Service Ratio	0.14%	0.13%	0.13%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%

Potential D.S.-Projects Anticipated to be Considered ²

Est. Financed Amount	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
Consolidated Correctional Treatment Facility ³	\$ 1,500,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000
Harbor/UCLA SB1953 Replacement projects ⁴	1,800,000								
Rancho S.Campus - Prob/ISD/Sheriff/Sports Complex	455,000	33,000	33,000	33,000	33,000	33,000	33,000		
Probation - Detention Facilities	TBD								
Dept Mental Health HQ (Vermont Corridor)	250,000	14,900	14,900	14,900	14,900	14,900	14,900	14,900	
LACMA: Ahmanson Replacement Ph I	125,000								
LACMA: Ahmanson Replacement Ph II	300,000								
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000								
MLK Parking Structure	43,000								
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD								
Music Center: Plaza Renovation	25,000	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Potential Debt Service ⁵	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 167,650	\$ 134,650	\$ 119,750

COMBINED Existing + Potential Debt Service ⁵	\$ 183,350	\$ 183,377	\$ 183,468	\$ 174,374	\$ 174,374	\$ 174,374	\$ 174,374	\$ 141,374	\$ 126,474
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Locally Generated Revenue ⁶	\$ 11,511,998	\$ 11,799,798	\$ 12,094,793	\$ 12,397,163	\$ 12,707,092	\$ 13,024,769	\$ 13,350,388	\$ 13,684,148	\$ 14,026,252
Locally Generated Revenue Budget Debt Service Ratio ⁷	1.59%	1.55%	1.52%	1.41%	1.37%	1.34%	1.31%	1.03%	0.90%

Budgetary/Cashflow Impact of Capital Project Financing

Potential Debt Service from Projects Anticipated for Bd Consideration

(Numbers expressed in \$1,000's)

	2051-52	2052-53	2053-54	2054-55	Total
Bond Debt Service (NCC Funded) - Existing Projects ¹ (Aggregate total)	6,724	6,724	-	-	1,208,325

Locally Generated Revenue	\$ 14,376,908	\$ 14,736,331	\$ 15,104,739	\$ 15,482,358	
Locally Generated Revenue Budget Debt Service Ratio	0.05%	0.05%	0.00%	0.00%	

Potential D.S.-Projects Anticipated to be Considered ²	Est. Financed Amount	2051-52	2052-53	2053-54	2054-55	Total
Consolidated Correctional Treatment Facility ³	\$ 1,500,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 3,909,000
Harbor/UCLA SB1953 Replacement projects ⁴	1,800,000					-
Rancho S.Campus - Prob/ISD/Sheriff/Sports Complex	455,000					990,000
Probation - Detention Facilities	TBD					-
Dept Mental Health HQ (Vermont Corridor)	250,000					
LACMA: Ahmanson Replacement Ph I	125,000					
LACMA: Ahmanson Replacement Ph II	300,000					-
3965 Vermont Avenue Building Renovation for County office space occupancy (Departments TBD)	30,000					-
MLK Parking Structure	43,000					-
MLK Former MACC Bldg Repurpose/Hawkins Bldg Repl	TBD					-
Music Center: Plaza Renovation	25,000	1,750	-			59,500
Potential Debt Service ⁵		\$ 119,750	\$ 118,000	\$ 118,000	\$ 118,000	\$ 4,958,500

COMBINED Existing + Potential Debt Service ⁵	\$ 126,474	\$ 124,724	\$ 118,000	\$ 118,000	\$ 6,166,825
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Locally Generated Revenue ⁶	\$ 14,376,908	\$ 14,736,331	\$ 15,104,739	\$ 15,482,358
Locally Generated Revenue Budget Debt Service Ratio ⁷	0.88%	0.85%	0.78%	0.76%